

STATE OF CALIFORNIA  
DEPARTMENT OF MANAGED HEALTH CARE  
HEALTH CARE SERVICE PLAN

1

**QUARTERLY FINANCIAL REPORTING FORM**

Submitted on 12/19/2003 2:38:40 PM

		1
1.	FOR THE QUARTER ENDING:	September 30, 2003
2.	Name:	<b>United Concordia Dental Plans of California, Inc.</b>
3.	File Number:(Enter last three digits)                      933-0	<b>046</b>
4.	Date Incorporated or Organized:	May 5, 1987
5.	Date Licensed as a HCSP:	
6.	Date Federally Qualified as a HCSP:	
7.	Date Commenced Operation:	May 12, 1987
8.	Mailing Address:	21700 Oxnard Street, Suite 500, Woodland Hills, CA 91367
9.	Address of Main Administrative Office:	21700 Oxnard Street, Suite 500, Woodland Hills, CA 91367
10.	Telephone Number:	818 - 710 - 9400
11.	HCSP's ID Number:	
12.	Principal Location of Books and Records:	21700 Oxnard Street, Suite 500, Woodland Hills, CA 91367
13.	Plan Contact Person and Phone Number:	Leonard Joseph Matuszak, 818 - 710 - 5111
14.	Financial Reporting Contact Person and Phone Number:	Laleh Nili, 818 - 710 - 5112
15.	President:*	Thomas Anthony Dzuryachko
16.	Secretary:*	Richard Joseph Enterline
17.	Chief Financial Officer:*	N/A
18.	Other Officers:*	Karen Ann Whitesel - Vice President
19.		Daniel Joseph Wright - Treasurer / Assistant Secretary
20.		Timothy Dale Billow - Assistant Treasurer
21.		
22.	Directors:*	Thomas Anthony Dzuryachko
23.		Walter Fredric Froh
24.		Nanette Paden De Turk
25.		Stephen Michael Massini
26.		
27.		
28.		
29.		
30.		
31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

32. President	Thomas A. Dzuryachko (please type for valid signature)
33. Secretary	Richard J. Enterline (please type for valid signature)
34. Chief Financial Officer	Daniel J. Wright (please type for valid signature)
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.	
35. Check if this is a revised filing, and complete question 7 on page 2:	<input checked="" type="checkbox"/>
36. If all dollar amounts are reported in thousands (000), check here:	<input type="checkbox"/>

Check My Work

**STATE OF CALIFORNIA  
DEPARTMENT OF MANAGED HEALTH CARE  
HEALTH CARE SERVICE PLAN**

## QUARTERLY FINANCIAL REPORTING FORM

### SUPPLEMENTAL INFORMATION

	1
1. Are footnote disclosures attached with this filing?	Yes <input type="button" value="▼"/>
2. Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No <input type="button" value="▼"/>
3. Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	Yes <input type="button" value="▼"/>
4. Have the Restricted Assets changed from the previous quarterly filing? If "yes", complete Schedule A-2 (Restricted Assets).	No <input type="button" value="▼"/>
5. Are there any significant changes reported on Schedule G, Section III?	No <input type="button" value="▼"/>
6. If "yes", describe:	Parent Financial Statements included
7. If this is a revised reporting form, what is/are the reason(s) for the revision?	1. TNE calculation ( page 20 line 21, and page 22 line 5). 2. Reclass of Management Fee Income to Aggregate Write-ins for Other Revenue (Page 5 line 10&30, Page 20 line 24 &25)

## STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of California, Inc.

## REPORT #1 ---- PART A: ASSETS

1	2
<b>CURRENT ASSETS:</b>	Current Period
1. Cash and Cash Equivalents	4,936,130
2. Short-Term Investments	0
3. Premiums Receivable - Net	2,657,639
4. Interest Receivable	443
5. Shared Risk Receivables - Net	0
6. Other Health Care Receivables - Net	0
7. Prepaid Expenses	501,517
8. Secured Affiliate Receivables - Current	0
9. Unsecured Affiliate Receivables - Current	0
10. Aggregate Write-Ins for Current Assets	367,028
11. TOTAL CURRENT ASSETS (Items 1 to 10)	8,462,757
<b>OTHER ASSETS:</b>	
12. Restricted Assets	50,000
13. Long-Term Investments	0
14. Intangible Assets and Goodwill - Net	0
15. Secured Affiliate Receivables - Long-Term	0
16. Unsecured Affiliate Receivables - Past Due	0
17. Aggregate Write-Ins for Other Assets	0
18. TOTAL OTHER ASSETS (Items 12 to 17)	50,000
<b>PROPERTY AND EQUIPMENT</b>	
19. Land, Building and Improvements	0
20. Furniture and Equipment - Net	159,428
21. Computer Equipment - Net	63,287
22. Leasehold Improvements -Net	69,535
23. Construction in Progress	0
24. Software Development Costs	0
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	292,250
27. TOTAL ASSETS	8,805,007
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS</b>	
1001. DEFERRED TAXES	367,028
1002.	
1003.	
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	367,028
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS</b>	
1701.	
1702.	
1703.	
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT</b>	
2501.	
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

## STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of California, Inc.

## REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
<b>CURRENT LIABILITIES:</b>	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable		XXX	0
2. Capitation Payable		XXX	0
3. Claims Payable (Reported)	951,310	32,465	983,775
4. Incurred But Not Reported Claims	1,167,420	39,840	1,207,260
5. POS Claims Payable (Reported)	0	0	0
6. POS Incurred But Not Reported Claims	0	0	0
7. Other Medical Liability	0	0	0
8. Unearned Premiums	2,413,792	XXX	2,413,792
9. Loans and Notes Payable	0	XXX	0
10. Amounts Due To Affiliates - Current	1,469,379	XXX	1,469,379
11. Aggregate Write-Ins for Current Liabilities	601,413	0	601,413
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	6,603,314	72,305	6,675,619
<b>OTHER LIABILITIES:</b>			
13. Loans and Notes Payable (Not Subordinated)	0	XXX	0
14. Loans and Notes Payable (Subordinated)	0	XXX	0
15. Accrued Subordinated Interest Payable	0	XXX	0
16. Amounts Due To Affiliates - Long Term	0	XXX	0
17. Aggregate Write-Ins for Other Liabilities	0	XXX	0
18. TOTAL OTHER LIABILITIES (Items 13 to 17)	0	XXX	0
19. TOTAL LIABILITIES	6,603,314	72,305	6,675,619
<b>NET WORTH</b>			
20. Common Stock	XXX	XXX	122,350
21. Preferred Stock	XXX	XXX	0
22. Paid In Surplus	XXX	XXX	-33,775
23. Contributed Capital	XXX	XXX	0
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	2,040,813
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	0
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	2,129,388
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	8,805,007
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES</b>			
1101. ESTIMATED COST TO PROCESS OUTSTANDING CLAIMS	164,328		164,328
1102. ACCRUED EXPENSES	437,085		437,085
1103.			0
1104.			0
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	601,413	0	601,413
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES</b>			
1701.		XXX	0
1702.		XXX	0
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	0	XXX	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS</b>			
2501.	XXX	XXX	0
2502.	XXX	XXX	0
2503.	XXX	XXX	0
2504.	XXX	XXX	0
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	0
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	0

## STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of California, Inc.

## REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
<b>REVENUES:</b>		
1. Premiums (Commercial)	9,332,376	28,031,858
2. Capitation	0	0
3. Co-payments, COB, Subrogation	0	0
4. Title XVIII - Medicare	0	0
5. Title XIX - Medicaid	0	0
6. Fee-For-Service	0	0
7. Point-Of-Service (POS)	0	0
8. Interest	1,466	31,890
9. Risk Pool Revenue	0	0
10. Aggregate Write-Ins for Other Revenues	823,051	2,438,862
11. TOTAL REVENUE (Items 1 to 10)	10,156,893	30,502,610
<b>EXPENSES:</b>		
<b>Medical and Hospital</b>		
12. Inpatient Services - Capitated	0	0
13. Inpatient Services - Per Diem	0	0
14. Inpatient Services - Fee-For-Service/Case Rate	0	0
15. Primary Professional Services - Capitated	4,372,476	13,160,452
16. Primary Professional Services - Non-Capitated	2,458,823	7,111,348
17. Other Medical Professional Services - Capitated	0	0
18. Other Medical Professional Services - Non-Capitated	0	0
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS	130,393	396,590
20. POS Out-Of-Network Expense	0	0
21. Pharmacy Expense - Capitated	0	0
22. Pharmacy Expense - Fee-for-Service	0	0
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	0	0
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	6,961,692	20,668,390
<b>Administration</b>		
25. Compensation	877,040	2,814,065
26. Interest Expense	0	69
27. Occupancy, Depreciation and Amortization	181,809	537,939
28. Management Fees	0	0
29. Marketing	1,128,210	3,425,291
30. Affiliate Administration Services	670,871	1,211,963
31. Aggregate Write-Ins for Other Administration	201,607	684,374
32. TOTAL ADMINISTRATION (Items 25 to 31)	3,059,537	8,673,701
33. TOTAL EXPENSES	10,021,229	29,342,091
34. INCOME (LOSS)	135,664	1,160,519
35. Extraordinary Item	0	0
36. Provision for Taxes	56,398	340,362
37. NET INCOME (LOSS)	79,266	820,157
<b>NET WORTH:</b>		
38. Net Worth Beginning of Period	2,050,122	1,309,231
39. Audit Adjustments	0	0
40. Increase (Decrease) in Common Stock	0	0
41. Increase (Decrease) in Preferred Stock	0	0
42. Increase (Decrease) in Paid in Surplus	0	0
43. Increase (Decrease) in Contributed Capital	0	0
44. Increase (Decrease) in Retained Earnings:	0	0
45. Net Income (Loss)	79,266	820,157
46. Dividends to Stockholders	0	0
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	0	0
49. NET WORTH END OF PERIOD (Items 38 to 48)	2,129,388	2,129,388

## STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of California, Inc.

**REPORT #2: REVENUE, EXPENSES AND NET WORTH**

1	2	3
	Current Period	Year-to-Date
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES</b>		
1001.		
1002. MANAGEMENT FEE INCOME	823,051	2,438,862
1003.	0	0
1004.	0	0
1005.	0	0
1006.	0	0
1098. Summary of remaining write-ins for Item 10 from overflow page	0	0
1099. TOTALS (Items 1001 thru 1006 plus 1098)	823,051	2,438,862
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES</b>		
2301.		
2302.		
2303.		
2304.		
2305.		
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	0	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES</b>		
3101. POSTAGE	43,552	92,606
3102. REGULATORY FEES	21,089	90,828
3103. TELEPHONE & I/S PROCESSING	31,044	99,216
3104. TAXES	32,752	100,499
3105. OUTSIDE SERVICES	4,217	19,710
3106. OTHER ADMINISTRATIVE EXPENSES	68,953	281,515
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	201,607	684,374
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS</b>		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS</b>		
4801.		
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	0	0

**REPORT #3: STATEMENT OF CASH FLOWS**

1	2	3
	Current Period	Year-to-Date
<b>CASH FLOW PROVIDED BY OPERATING ACTIVITIES</b>		
1. Group/Individual Premiums/Capitation	9,171,431	28,047,385
2. Fee-For-Service	0	0
3. Title XVIII - Medicare Premiums	0	0
4. Title XIX - Medicaid Premiums	0	0
5. Investment and Other Revenues	824,480	2,471,214
6. Co-Payments, COB and Subrogation	0	0
7. Medical and Hospital Expenses	-7,038,692	-21,158,732
8. Administration Expenses	-2,512,627	-7,980,961
9. Federal Income Taxes Paid	0	0
10. Interest Paid	0	0
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	444,592	1,378,906
<b>CASH FLOW PROVIDED BY INVESTING ACTIVITIES</b>		
12. Proceeds from Restricted Cash and Other Assets	0	0
13. Proceeds from Investments	0	0
14. Proceeds for Sales of Property, Plant and Equipment	0	0
15. Payments for Restricted Cash and Other Assets	0	0
16. Payments for Investments	0	0
17. Payments for Property, Plant and Equipment	-459	-17,160
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	-459	-17,160
<b>CASH FLOW PROVIDED BY FINANCING ACTIVITIES:</b>		
19. Proceeds from Paid in Capital or Issuance of Stock	0	0
20. Loan Proceeds from Non-Affiliates	0	0
21. Loan Proceeds from Affiliates	0	0
22. Principal Payments on Loans from Non-Affiliates	0	0
23. Principal Payments on Loans from Affiliates	0	0
24. Dividends Paid	0	0
25. Aggregate Write-Ins for Cash Provided by Financing Activities	0	0
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	0	0
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	444,133	1,361,746
28. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER	4,491,997	3,574,384
29. CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	4,936,130	4,936,130
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
30. Net Income	79,266	820,157
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</b>		
31. Depreciation and Amortization	33,643	101,065
32. Decrease (Increase) in Receivables	20,854	501,286
33. Decrease (Increase) in Prepaid Expenses	7,891	48,080
34. Decrease (Increase) in Affiliate Receivables	0	0
35. Increase (Decrease) in Accounts Payable	0	0
36. Increase (Decrease) in Claims Payable and Shared Risk Pool	-77,000	-490,342
37. Increase (Decrease) in Unearned Premium	-181,799	-485,759
38. Aggregate Write-Ins for Adjustments to Net Income	561,737	884,419
39. TOTAL ADJUSTMENTS (Items 31 through 38)	365,326	558,749
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	444,592	1,378,906
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES</b>		
2501.		
2502.	0	0
2503.	0	0
2598. Summary of remaining write-ins for Item 25 from overflow page	0	0
2599. TOTALS (Items 2501 thru 2503 plus 2598)	0	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME</b>		
3801. DECREASE (INCREASE) IN INTEREST RECEIVABLES	-38	462
3802. DECREASE (INCREASE) IN DEFERRED TAXES	2,474	15,482
3803. INCREASE (DECREASE) IN AMOUNTS DUE TO AFFILIATES	544,630	835,610
3898. Summary of remaining write-ins for Item 38 from overflow page	14,671	32,865
3899. TOTALS (Items 3801 thru 3803 plus 3898)	561,737	884,419

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**REPORT #4: ENROLLMENT AND UTILIZATION TABLE****TOTAL ENROLLMENT**

1 Source of Enrollment	2 Total Enrollees At End of Previous Period	3 Additions During Period	4 Terminations During Period	5 Total Enrollees at End of Period	6 Cumulative Enrollee Months for Period	Total Member Ambulatory Encounters for Period			10 Total Patient Days Incurred	11 Annualized Hospital Days/1000	12 Average Length of Stay
						7 Physicians	8 Non-Physicians	9 Total			
1. Group (Commercial)	272,759	17,549	10,761	279,547	835,599			0		0	
2. Medicare Risk				0				0			
3. Medi-Cal Risk				0				0			
4. Individual				0				0			
5. Point of Service				0				0			
6. Aggregate write-ins for Other	0	0	0	0	0	0	0	0	0		
7. Total Membership	272,759	17,549	10,761	279,547	835,599	0	0	0	0	0	
DETAILS OF WRITE-INS AGGREGATED AT ITEM 6 FOR OTHER SOURCES OF ENROLLMENT											
601. Small Group				0				0			
602. Healthy Families				0				0			
603. AIM				0				0			
604. Medicare Cost				0				0			
605. ASO				0		N/A	N/A	N/A	N/A	N/A	N/A
606. PPO				0				0			
607.				0				0			
608.				0				0			
609.				0				0			
610.				0				0			
611.				0				0			
612.				0				0			
Summary of remaining write-ins for											
698. Item 6 from overflow page				0				0			
Totals (lines 601 through 612 plus											
699, 698) (Line 6 above)	0	0	0	0	0	0	0	0	0		

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**SCHEDULE A-1 (CASH)**

1	2	3
Name of Depository (List all accounts even if closed during the period)	Account Number	Balance*
1. ....	.....	.....
2. ....	.....	.....
3. ....	.....	.....
4. NOT REQUIRED TO FILE	.....	.....
5. ....	.....	.....
6. ....	.....	.....
7. ....	.....	.....
8. ....	.....	.....
9. Total Cash on Deposit		0
10. Cash on Hand (Petty Cash)		
11. Total Cash on Hand and on Deposit (Report #1, Part A, Line 1)		0

**SCHEDULE A-2 RESTRICTED ASSETS**

1	2	3
Name of Depository (List all accounts even if closed during period)	Account Number	Balance*
12. ....	.....	.....
13. ....	.....	.....
14. ....	.....	.....
15. NOT REQUIRED TO FILE	.....	.....
16. ....	.....	.....
17. ....	.....	.....
18. ....	.....	.....
19. Total Restricted Assets		0

\* Indicate the Balance Per the HMO's Records

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## STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of California, Inc.

**SCHEDULE C - PREMIUMS RECEIVABLE (Other than Affiliates)**

Individually list all debtors (commercial only) with account balances greater than 5% of gross Premiums Receivable. Group the total of all other premiums receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.						0
2.						0
3.						0
4.						0
5.	NOT REQUIRED TO FILE					0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0
24.						0
25.						0
26.						0
27.						0
28.						0
29.						0
30.						0
31.						0
32.						0
33.						0
34.						0
35.						0
36.						0
37.						0
38.						0
39.						0
40.						0
41.						0
42.						0
43.						0
44.						0
45.						0
46.						0
47.						0
48.						0
49.						0
50.						0
51.						0
52.						0
53.						0
54.	Aggregate Accounts Not Individually Listed					0
55.	Total	0	0	0	0	0

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## STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of California, Inc.

**SCHEDULE D**  
**HEALTH CARE RECEIVABLES &**  
**AMOUNTS DUE FROM PARENT, SUBSIDIARIES, AND AFFILIATES**

Individually list all debtors with account balances greater than 10% of gross Receivables. Group the total of all other receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.						0
2.						0
3.						0
4.						0
5.	NOT REQUIRED TO FILE					0
6.						0
7.						0
8.						0
9.						0
10.						0
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14.						0
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40.						0
41.						0
42.						0
43.						0
44.						0
45.						0
46.						0
47.						0
48.						0
49.						0
50.						0
51.						0
52.						0
53.						0
54.	Aggregate Accounts Not Individually Listed					0
55.	Total	0	0	0	0	0

\*\*

## STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of California, Inc.

## SCHEDULE F - ACCOUNTS PAYABLE

Individually list all creditors with account balances greater than 5% of total trade accounts payable. Group the total of all other payables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed - Due." Report accounts payable from the initial date of billing or due date under contract.

1	2	3	4	5	6	7
Name of Debtor	1-30 Days	31-60 Days	61-90 Days	91-120 Days	Over 120 Days	Total
1.						0
2.						0
3.						0
4.						0
5.	NOT REQUIRED TO FILE					0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.	Aggregate Accounts Not Individually Listed - Due					0
24.	Total	0	0	0	0	0

\*\*

**SCHEDULE G - UNPAID CLAIMS ANALYSIS**  
**SECTION I - CLAIMS UNPAID**

	1	2	3
Type of Claim	Reported Claims in Process of Adjustment	Estimated Incurred but Unreported	Total - Unpaid Claims (Columns 4+5 of Section II)
1. Inpatient Claims	979,157	1,201,593	2,180,750
2. Physician Claims	4,618	5,667	10,285
3. Referral Claims			0
4. Other Medical			0
5. TOTAL	983,775	1,207,260	2,191,035

**SECTION II - ANALYSIS OF CLAIMS UNPAID - PREVIOUS YEAR (FILE ANNUAL ONLY)**

1 Type of Claim	Claims Paid During the Fiscal Year		Unpaid Claims During the Fiscal Year		6 Total Claims (Paid and Unpaid) for the Previous Fiscal Year (2+4)	7 Estimated Liability of Unpaid Claims Prior to the first day of the Prior Year
	2 On Claims Incurred Prior to the first day of the Current Fiscal Year	3 On Claims Incurred During the Fiscal Year	4 On Claims Unpaid Prior to the first day of the Previous Fiscal Year	5 On Claims Incurred During the Year		
6. Inpatient Claims					0	
7. Physician Claims					0	
8. Referral Claims					0	
9. Other Medical					0	
10. TOTAL	0	0	0	0	0	0

**SECTION III - INVENTORY OF CLAIMS TO BE PROCESSED\***

	1 Month Ending	2 Beginning Balance Number of Claims in inventory on the 1st of each month	3 Add - Claims Received during the month	4 Deduct - Claims paid during the month	5 Deduct - Claims denied during the month	6 Add/Deduct - Adjustments	7 Ending Balance Number of claims in inventory at the end of the month
11.							
12.	September 30, 2003	2,179	20,022	16,318	4,339	-199	1,345
13.	August 31, 2003	2,680	20,008	16,115	4,140	-254	2,179
14.	July 31, 2003	1,642	23,374	17,663	4,467	-206	2,680
15.	June 30, 2003	2,346	21,281	16,985	4,927	-73	1,642
16.	May 31, 2003	3,169	24,044	18,712	5,314	-838	2,349
17.	April 30, 2003	4,033	22,923	18,726	4,864	-197	3,169
18.	March 31, 2003	3,700	19,878	15,516	3,921	-108	4,033
19.	February 28, 2003	2,718	19,059	14,497	3,424	-156	3,700
20.	January 1, 2003	4,970	19,422	17,784	3,824	-66	2,718
21.	December 31, 2002	3,123	20,217	15,044	3,252	-74	4,970
22.	November 30, 2002	4,844	20,254	17,863	3,925	-187	3,123
23.	October 31, 2002	5,588	28,461	21,872	7,137	-196	4,844

\* Describe any significant changes reported on Schedule G, Section III in the Supplemental Schedule (Page 2).

\*\*

**STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of California, Inc.**

**SCHEDULE H - AGING OF ALL CLAIMS**

Age all claims on hand at the end of each month. Use the date of receipt to determine the number of days the claims is outstanding. The amount reported in Column 6 should equal the amount Reported on Schedule G, Section III, Column 7.

	1	2	3	4	5	6
1.	Month Ending	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
2.	September 30, 2003	1,332	13	0	0	1,345
3.	August 31, 2003	2,161	16	1	1	2,179
4.	July 31, 2003	2,671	8	0	1	2,680
5.	June 30, 2003	1,631	8	2	1	1,642
6.	May 31, 2003	2,332	15	1	1	2,349
7.	April 30, 2003	3,115	53	1	0	3,169
8.	March 31, 2003	4,010	19	4	0	4,033
9.	February 28, 2003	3,675	22	1	2	3,700
10.	January 31, 2003	2,685	31	2	0	2,718
11.	December 31, 2002	4,956	13	1	0	4,970
12.	November 30, 2002	3,044	77	1	1	3,123
13.	October 31, 2002	4,786	57	0	1	4,844

\*\*



**STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of California, Inc.**

**SCHEDULE I - ANALYSIS OF TOTAL MEDICAL LIABILITY TO ACTUAL CLAIMS PAID**

Using the Plan's Lag Tables, complete the following table. Provide claim information the current quarter and the previous seven quarters. An actuarial certification may be submitted in lieu of this schedule.

Reported Accrual				
1	2	3	4	5
Quarter Ending Date	Total Medical Liability*	Amount Paid-To-Date	Difference - Column (2-3)	Outstanding Liability (Based on plan's lag)
1. September 30, 2003	2,191,035	XXX	2,191,035	2,191,035
2. June 30, 2003	2,268,035	1,549,023	719,012	410,100
3. March 31, 2003	2,279,065	2,072,906	206,159	183,850
4. December 31, 2002	2,651,385	1,942,879	708,506	90,650
5. September 30, 2002	2,401,410	2,190,749	210,661	50,250
6. June 30, 2002	2,524,610	2,111,656	412,954	0
7. March 31, 2002	2,370,610	2,114,325	256,285	0
8. December 30, 2001	2,478,850	2,100,353	378,497	0

\* Should tie to Report #1, Part B, Columns 1 & 2, Lines 3 through 7.

\*\*

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NOTES TO FINANCIAL STATEMENTS	
1.	<b>PLEASE REFER TO THE ATTACHED FILE</b>
2.	
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OVERFLOW PAGE FOR WRITE-INS		
1.		
2.	Page 7 - Line 3898, Summary of Remaining Write-ins for item 38	
3.		
4.	Increase (Decrease) in other payables	
5.		
6.	CURRENT	YEAR TO DATE
7.	Cost to process O/S claims -5,775	-34,526
8.	Accrued expenses 19,604	66,549
9.	Gain / Loss on F/A Retirements 842	842
10.		
11.		
12.	TOTALS 14,671	32,865
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## STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of California, Inc.

**KNOX-KEENE**  
**SUPPLEMENTAL INFORMATION**  
**PURSUANT TO SECTIONS 1300.84.06, 1300.84.2 AND 1374.68**

	1	2	3	4	5
A.	Explanation of the method of calculating the provision for incurred and unreported claims:				
1.					
B.	Accounts and Notes Receivable from officers, directors, owners or affiliates, as detailed below:				
	Name of Debtor	Nature of Relationship	Nature of Receivable	Amount	Terms
2.					
3.					
4.					
5.					
6.					
C.	Donated materials or services received by the reporting entity for the period of the financial statements, as detailed below:				
	Donor's Name	Affiliation with Reporting Entity	Valuation Method	Amount	
7.					
8.					
9.					
10.					
11.					
D.	Forgiven debt or obligations, as detailed below:				
	Creditor's Name	Affiliation with Reporting Entity	Summary of How Obligation Arose	Amount	
12.	United Concordia Companies Inc.	Parent Company	For the quarter ended		
13.			9/30/2003		0
14.					
15.					
E.	Calculation of Tangible Net Equity (TNE) and Required TNE in accordance with Section 1300.76 of the Rules:				
16.	Net Equity			\$	2,129,388
17.	Add: Subordinated Debt			\$	
18.	Less: Receivables from officers, directors, and affiliates			\$	
19.	Intangibles			\$	
20.	Tangible Net Equity (TNE)			\$	2,129,388
21.	Required Tangible Net Equity (See Page 22)			\$	714,275
22.	TNE Excess (Deficiency)			\$	1,415,113
F.	Percentage of administrative costs to revenue obtained from subscribers and enrollees:				
23.	Revenue from subscribers and enrollees			\$	9,332,376
24.	Administrative Costs			\$	3,059,537
25.	Percentage				33
26.	The amount of health care expenses incurred during the six month period immediately preceding the date of the report which were or will be paid to noncontracting providers or directly reimbursed to subscribers and enrollees:			\$	272,309
27.	Total costs for health care services for the immediately preceding six months:			\$	14,292,420
28.	Percentage				2

		1
<p>G. If the amount of health care expenses incurred during the six month period immediately preceding the date of the report which <u>were or will be</u> paid to noncontracting providers or directly reimbursed to subscribers and enrollees exceeds 10% of the total costs for health care services for the immediately preceding six months, the following information, determined as of the date of the reports, shall be provided:</p>		
29. Amount of all claims for noncontracting provider services received for reimbursement but not yet processed:	\$	
30. Amount of all claims for noncontracting provider services denied for reimbursement during the previous 45 days:	\$	
31. Amount of all claims for noncontracting provider services approved for reimbursement but not yet paid:	\$	
32. An estimate of the amount of claims for noncontracting provider services incurred, but not reported:	\$	
33. Compliance with Section 1377(a) as determined in accordance with such section, as follows:		
34. Cash & cash equivalents maintained	\$	
35. Noncontracting provider claims (aggregate of total of items 29 - 32 above)	\$	0
36. Cash & cash equivalents reported to be maintained (120% x Line 35)	\$	0
37. Deposit required (100% of Line 36)	\$	0
38. Excess (deficient) reserves (Line 34 - Line 37)	\$	0
Percentage of premium revenue earned from point-of-service plan contracts:		
39. Premium revenue earned from point-of-service plan contracts	\$	
40. Total premium revenue earned	\$	
41. Percentage		0
Percentage of total health care expenditures incurred for enrollees for out-of-network services for point-of-service enrollees:		
42. Health care expenditures for out-of-network services for point-of-service enrollees	\$	
43. Total health care expenditures	\$	
44. Percentage		0
45. Point-of-Service Enrollment at end of period		
Total Ambulatory encounters for period for point-of-service enrollees:		
46. Physician		
47. Non-Physician		
48. Total		0
49. Total Patient Days Incurred for Point-of-Service enrollees		
50. Annualized Hospital Days/1000 for Point-of-Service enrollees		
51. Average Length of Stay for Point of Service enrollees		
52. Compliance with Section 1374.68(a) as follows:		
53. Current Monthly Claims Payable for out-of-network coverage or services provided under Point-of-Service Contracts:	\$	
54. Current monthly incurred but not reported claims balance for out-of-network coverage or services provided under Point-of-Service contracts	\$	
55. Total	\$	0
56. Total times 120%	\$	0
57. Deposit (Greater of Line 56 or minimum of \$200,000)	\$	

**STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of California, Inc.**

**REQUIRED TANGIBLE NET EQUITY (TNE) CALCULATION:**

TNE required must be equal to the GREATER of "A" "B" or "C" below (See Rule 1300.76)

		Full Service Plans		Specialized Plans	
		1		2	
<b>A.</b>	Minimum TNE Requirement	\$ 1,000,000		\$ 50,000	
<b>B.</b>	REVENUES:				
1.	2% of the first \$150 million of annualized premium revenues	\$		2% of the first \$7.5 million of annualized premium revenue	\$ 150,000
	Plus			Plus	
2.	1% of annualized premium revenues in excess of \$150 million	\$		1% of annualized premium revenue in excess of \$7.5 million	\$ 298,758
3.	Total	\$ 0		Total	\$ 448,758
<b>C.</b>	HEALTHCARE EXPENDITURES:				
4.	8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$		8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$ 600,000
	Plus			Plus	
5.	4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$		4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis.	\$ 114,275
	Plus			Plus	
6.	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$		4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$ 0
7.	Total	\$ 0		Total	\$ 714,275
8.	Required "TNE" - Greater of "A" "B" or "C"	\$		Required "TNE" - Greater of "A" "B" or "C"	\$ 714,275

**KNOX -KEENE  
SUPPLEMENTAL INFORMATION  
PURSUANT TO SECTIONS 1374.64**

**POINT OF SERVICE TANGIBLE NET EQUITY CALCULATION**

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

	1	
1. Net Equity	\$	2,129,388
2. Add: Subordinated Debt	\$	
3. Less: Receivables from officers, directors, and affiliates	\$	
4. Intangibles	\$	
5. Tangible Net Equity (TNE)	\$	2,129,388
6. Required Tangible Net Equity (From Line 10 or 13 below)	\$	
7. TNE Excess (Deficiency)	\$	2,129,388
<b>ADJUSTED MINIMUM TANGIBLE NET EQUITY CALCULATION (Complete Section I or II):</b>		
<b>I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):</b>		
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$	
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$	
10. Add lines 8 and 9	\$	0
<b>II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):</b>		
<b><u>PART A</u></b>		
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 24)	\$	
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$	
13. Add lines 11 and 12	\$	0
<b>III. MINIMUM TNE REQUIREMENT TO DETERMINE MONTHLY REPORTING</b>		
14. Line 5 (above)	\$	2,129,388
15. Multiply Line 6 (above) by 130%	\$	0
16. Difference (Line 14 - Line 15)	\$	2,129,388
<b>If Line 14 is less than Line 15, then monthly reporting is required</b>		

## STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of California, Inc.

## WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ <input type="text"/>	\$ <input type="text"/>
Less:		
2. Capitated or managed hospital payment basis expenditures	<input type="text"/>	<input type="text"/>
3. Health care expenditures for out-of-network services for point-of-service enrollees	<input type="text"/>	<input type="text"/>
4. Result	<input type="text" value="0"/>	<input type="text" value="0"/>
5. Annualized	<input type="text"/>	<input type="text"/>
6. Reduce to maximum of \$150 million	<input type="text"/>	<input type="text"/>
7. Multiply by 8%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
9. Less \$150 million	<input type="text"/>	<input type="text"/>
10. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
12. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
13. Total	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>



## STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of Calif

## Manual claim check vs claim payments

<u>Account number</u>		<u>Jul-03</u>		<u>Aug-03</u>		<u>Sep-03</u>
		-		-		
Manual Claims	\$	8,824	\$	2,826	\$	9,232
		-		-		-
		-		-		-
		-		-		-
		-		-		-
Total	\$	<u>8,824</u>	\$	<u>2,826</u>	\$	<u>9,232</u>
Total claims paid						
for the month	\$	<u>1,679,127</u>	\$	<u>1,475,485</u>	\$	<u>1,333,831</u>
% of manual						
claim checks to		0.53%		0.19%		0.69%

**STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of California, Inc.****Results of Post-pay EOB audit  
For the Quarter Ended September 30, 2003**

<u>Month</u>	<u>Number of</u>	<u>Number of</u>	<u>Error rate</u>
Jul-03	15	0	0%
Aug-03	15	0	0%
Sep-03	15	0	0%

## STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of California, Inc.

United Concordia Dental Plans of California, Inc.  
Results of Check Register Review  
For the Quarter Ended September 30, 2003

Report Name	Date of Check Run	Check Amount	Result of Review
<b>Accounts Payable</b>			
	1-Jul-03		No Exceptions Noted
	2-Jul-03		No Exceptions Noted
	3-Jul-03		No Exceptions Noted
	4-Jul-03		No Exceptions Noted
	7-Jul-03		No Exceptions Noted
	8-Jul-03		No Exceptions Noted
	9-Jul-03		No Exceptions Noted
	10-Jul-03		No Exceptions Noted
	11-Jul-03		No Exceptions Noted
	14-Jul-03		No Exceptions Noted
	15-Jul-03		No Exceptions Noted
	16-Jul-03		No Exceptions Noted
	17-Jul-03		No Exceptions Noted
	18-Jul-03		No Exceptions Noted
	21-Jul-03		No Exceptions Noted
	22-Jul-03		No Exceptions Noted
	23-Jul-03		No Exceptions Noted
	24-Jul-03		No Exceptions Noted
	25-Jul-03		No Exceptions Noted
	28-Jul-03		No Exceptions Noted
	29-Jul-03		No Exceptions Noted
	30-Jul-03		No Exceptions Noted
	31-Jul-03		No Exceptions Noted
	1-Aug-03		No Exceptions Noted
	4-Aug-03		No Exceptions Noted
	5-Aug-03		No Exceptions Noted
	6-Aug-03		No Exceptions Noted
	7-Aug-03		No Exceptions Noted
	8-Aug-03		No Exceptions Noted
	11-Aug-03		No Exceptions Noted
	12-Aug-03		No Exceptions Noted
	13-Aug-03		No Exceptions Noted
	14-Aug-03		No Exceptions Noted
	15-Aug-03		No Exceptions Noted
	18-Aug-03		No Exceptions Noted
	19-Aug-03		No Exceptions Noted
	20-Aug-03		No Exceptions Noted
	21-Aug-03		No Exceptions Noted
	22-Aug-03		No Exceptions Noted
	25-Aug-03		No Exceptions Noted
	26-Aug-03		No Exceptions Noted
	27-Aug-03		No Exceptions Noted
	28-Aug-03		No Exceptions Noted
	29-Aug-03		No Exceptions Noted
	1-Sep-03		No Exceptions Noted
	2-Sep-03		No Exceptions Noted
	3-Sep-03		No Exceptions Noted
	4-Sep-03		No Exceptions Noted
	5-Sep-03		No Exceptions Noted
	8-Sep-03		No Exceptions Noted
	9-Sep-03		No Exceptions Noted
	10-Sep-03		No Exceptions Noted
	11-Sep-03		No Exceptions Noted
	12-Sep-03		No Exceptions Noted
	15-Sep-03		No Exceptions Noted
	16-Sep-03		No Exceptions Noted
	17-Sep-03		No Exceptions Noted
	18-Sep-03		No Exceptions Noted
	19-Sep-03		No Exceptions Noted
	22-Sep-03		No Exceptions Noted
	23-Sep-03		No Exceptions Noted
	24-Sep-03		No Exceptions Noted
	25-Sep-03		No Exceptions Noted
	26-Sep-03		No Exceptions Noted
	29-Sep-03		No Exceptions Noted
	30-Sep-03		No Exceptions Noted
<b>Broker</b>			
	17-Jul-03		No Exceptions Noted
	17-Aug-03		No Exceptions Noted
	17-Sep-03		No Exceptions Noted
<b>Capitation</b>			
	2-Jul-03		No Exceptions Noted
	2-Aug-03		No Exceptions Noted
	2-Sep-03		No Exceptions Noted
<b>Claims</b>			
	4-Jul-03		No Exceptions Noted
	11-Jul-03		No Exceptions Noted
	18-Jul-03		No Exceptions Noted
	25-Jul-03		No Exceptions Noted
	1-Aug-03		No Exceptions Noted
	8-Aug-03		No Exceptions Noted
	15-Aug-03		No Exceptions Noted
	22-Aug-03		No Exceptions Noted
	29-Aug-03		No Exceptions Noted
	5-Sep-03		No Exceptions Noted
	12-Sep-03		No Exceptions Noted
	19-Sep-03		No Exceptions Noted
	26-Sep-03		No Exceptions Noted

STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of California, Inc.

# UNITED CONCORDIA

America's Premier Dental Insurer

**CONSOLIDATED BALANCE SHEETS**

September 30, 2003

	<b>SEPTEMBER 2003</b>
<b>ASSETS</b>	
CASH & CASH EQUIVALENTS:	
CASH AVAILABLE FOR OPERATIONS	\$ 18,937,495
RESERVED CASH (RESTRICTED \$310,000 AND \$310,000, RESPECTIVELY)	67,090,106
TOTAL CASH & CASH EQUIVALENTS	86,027,601
FUNDS IN ESCROW ACCOUNTS	-
INVESTMENTS (RESTRICTED \$7,605,000 AND \$7,105,000, RESPECTIVELY)	143,978,728
RECEIVABLES:	
TDP SUBSCRIPTION REVENUE	16,610,476
SUBSCRIPTION REVENUE	40,336,702
THIRD PARTY ADMINISTRATION	13,765,403
DUE FROM HIGHMARK	2,778,367
OTHER	612,475
TOTAL RECEIVABLES	74,103,423
ACCRUED INTEREST	1,465,924
LEASEHOLD IMPROVEMENTS	1,597,504
EDP EQUIPMENT	6,992,075
OFFICE FURNITURE & EQUIPMENT	6,146,761
SUBTOTAL	14,736,340
LESS: ACCUMULATED DEPRECIATION	(11,456,732)
NET PROPERTY & EQUIPMENT	3,279,608
DEFERRED TAX ASSET	15,702,960
GOODWILL, NET OF ACCUMULATED AMORTIZATION	36,401,119
OTHER ASSETS	1,791,498
TOTAL ASSETS	\$ 362,750,861
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>	
CLAIMS OUTSTANDING	\$ 68,041,579
PREMIUM DEFICIENCY RESERVE	-
PAYABLE TO PROVIDERS	450,000
UNEARNED REVENUE	40,261,417
AMOUNTS HELD FOR OTHERS	15,771,151
OTHER PAYABLES AND ACCRUED EXPENSES	26,955,440
LINE OF CREDIT	5,000,000
DUE TO HIGHMARK	19,569,400
NOTE PAYABLE-HIGHMARK	55,000,000
DEFERRED TAX LIABILITY	903,575
TOTAL LIABILITIES	231,952,562
COMMON STOCK	1,100,000
ADDITIONAL PAID IN CAPITAL	72,650,000
SURPLUS NOTE PAYABLE	0
ACCUMULATED OTHER COMPREHENSIVE GAIN, NET OF DEFERRED TAXES	1,079,663
RETAINED EARNINGS	55,968,636
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 362,750,861

## STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of California, Inc.



**CONSOLIDATED STATEMENTS OF OPERATIONS  
AND CHANGES IN RETAINED EARNINGS**  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003

	AMOUNT	PERCENT
SUBSCRIPTION REVENUE	\$ 666,723,882	89.00 %
SUBSCRIPTION REVENUE - REINSURANCE	65,243,972	8.71
ASO ADMINISTRATIVE REVENUE	14,592,090	1.95
THIRD PARTY ADMIN / OTHER REVENUE	2,576,570	0.34
TOTAL DENTAL CARE REVENUE	749,136,514	100.00
CLAIMS EXPENSE	521,349,258	69.59
CLAIMS EXPENSE - REINSURANCE	50,159,245	6.70
CAPITATION EXPENSE	44,119,806	5.89
TOTAL DENTAL CARE COSTS	615,628,309	82.18
GROSS MARGIN	133,508,205	17.82
COMMISSIONS	12,946,545	1.73
PREMIUM TAX	5,466,071	0.73
ADMINISTRATIVE EXPENSE - REINSURANCE	4,529,965	0.60
ADMINISTRATIVE EXPENSES	90,186,518	12.04
INCOME (LOSS) BEFORE INVESTMENT REVENUE, PREMIUM DEFICIENCY, INTEREST EXPENSE, AND TAXES	20,379,106	2.72
INVESTMENT AND OTHER REVENUE	3,774,811	0.50
PREMIUM DEFICIENCY AMORTIZATION	60,000,000	8.01
INTEREST EXPENSE	2,046,438	0.27
INCOME (LOSS) BEFORE INCOME TAXES	82,107,479	10.96
PROVISION (BENEFIT) FOR INCOME TAXES	29,173,627	3.89
NET INCOME (LOSS)	52,933,852	7.07 %
RETAINED EARNINGS BEGINNING	3,034,784	
RETAINED EARNINGS ENDING	\$ 55,968,636	

STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of California, Inc.



**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2003**

	<u>2003</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
NET INCOME (LOSS)	\$ 52,933,852
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO CASH	
FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
PREMIUM DEFICIENCY AMORTIZATION	(60,000,000)
DEPRECIATION AND AMORTIZATION	1,774,104
LOSS (GAIN) ON DISPOSAL OF EQUIPMENT	44,792
REALIZED LOSS ON SALE OF INVESTMENTS	161,757
DEFERRED INCOME TAX	15,550,730
INCREASE (DECREASE) DUE TO CHANGES IN:	
ACCOUNTS RECEIVABLE	(4,092,360)
OTHER ASSETS	(321,847)
CLAIMS OUTSTANDING	6,243,936
DUE FROM HIGHMARK, NET	15,112,898
UNEARNED REVENUE	(8,530,371)
AMOUNTS HELD FOR OTHERS	(15,214,778)
OTHER LIABILITIES	2,861,979
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>6,524,692</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
PURCHASE OF INVESTMENTS, AVAILABLE FOR SALE	(99,107,629)
MATURITY OF INVESTMENTS, AVAILABLE FOR SALE	93,962,828
PURCHASE OF FURNITURE AND EQUIPMENT	(515,766)
PROCEEDS FROM SALE OF INVESTMENTS	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(5,660,567)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
PAYMENTS ON LINE OF CREDIT	(15,000,000)
ISSUANCE OF LINE OF CREDIT	<u>-</u>
PAYMENT ON HIGHMARK NOTE PAYABLE	-
PAYMENT ON NOTES PAYABLE AND CAPITAL LEASES	<u>-</u>
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	<u>(15,000,000)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(14,135,875)
BEGINNING CASH AND CASH EQUIVALENTS	<u>100,163,476</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 86,027,601</u></u>

**STATEMENT AS OF 9-30-2003 OF 933-0046 United Concordia Dental Plans of California**

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